items, and have been accomplished despite the lowering of interest rates on all classes of paper.

The profits of the Philippine National Bank are not the true measure of its service to the people of these Islands. It provides service in many ways. As a depository of the government it serves the country as a whole. The facilities of the bank have been extended to the remote districts, and at all of these places it provides facilities for a safe depository for funds, for exchanging checks for cash, for sending drafts for collection, and extending loans to small farmers and merchants.

PUBLIC HEALTH AND WELFARE

The Philippines has led during the American occupation all other oriental countries in progress made in health and welfare. Epidemics are controlled; pandemics are definitely of the past; commerce is no longer impeded by quarantine and other restrictions necessary to prevent the spread of disease; new measures have been inaugurated by the government to improve the living conditions of the poor and to protect those economically distressed from the ravages of disease.

As a typical example, I refer particularly to the construction during the past two years of a modern water filtration plant for the City of Manila. It is significant of the progress which had been made that Manila, a tropical city, is thus provided with a water supply which is not excelled in purity by that of any other city in the world. The prevalence of water-borne diseases in the City of Manila has already been reduced, and there is no doubt that the pure water now available for the inhabitants of Manila will be an important factor in 'the continued improvement in the public health of the city.

Today the insular government operates eighty hospitals having 4,402 beds, and more than 1,000 dispensaries. During the past two years special attention has been devoted to the care of the insane and the mentally defective. Government facilities for the institutional treatment of insane patients have been doubled, and many of the unfortunates who formerly wandered at large or were confined in jails now receive proper care. During the past year we have revised the stand-

ard of care of the insane and perfected our administrative methods to conform to the best practices in this field. Also, during the past year we have set up a school for mentally defective children at Welfarevflle where they can be trained, guided, and given the opportunity to become useful citizens.